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STATE FOR AF/SPG, PRM, AND ALSO PASS USAID/W
USAID FOR DCHA SUDAN TEAM, AF/EA, DCHA
NAIROBI FOR USAID/DCHA/OFDA, USAID/REDSO, AND FAS
USMISSION UN ROME
GENEVA FOR NKYLOH
NAIROBI FOR SFO
NSC FOR JMELINE, TSHORTLEY
USUN FOR TMALY
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SUBJECT: Eastern Sudan Poverty Alleviation and Peace
Building Conference - Port Sudan, April 30-May 1, 2006

Summary

¶1. From April 30 to May 1, 2006, the U.N. Development Program (UNDP) convened an eastern Sudan poverty alleviation and peace-building conference in Port Sudan, Red Sea State. The conference was attended by donors, U.N. agencies, non-government organizations (NGOs), community based organizations (CBOs), and the walis (governors) of Red Sea and Kassala States. Following initial scene-setting presentations, the various state governors in attendance presented their program needs and funding requirements. In the discussion that followed, one donor linked international assistance to eastern Sudan to the resolution of conflict in Darfur, a comment which sparked tense exchanges between conference participants. The final communiqu produced by conference participants revealed the walis' anger toward the lack of funding pledged to the east at the meeting. A final private meeting between donors and state authorities mitigated this tension, but the meeting ended on a bitter note. End Summary.

Conference Participants and Initial Dialogue

¶2. From April 30 to May 1, 2006, representatives from the international donor community, U.N. agencies, NGOs, CBOs, and Red Sea and Kassala State and local governments gathered in Port Sudan to discuss poverty and peace-building in eastern Sudan at a conference convened by UNDP. Participating donors included the European Union (EU), U.K. Department for International Development (DFID), Netherlands, Italy, USAID, and the World Bank. The major U.N. agencies represented at the conference included the U.N. World Food Program (WFP), U.N. Food and Agriculture Organization (FAO), and U.N. Children's Fund (UNICEF). Local authorities participating in the conference included the walis, cabinet leaders, tribal, and popular leaders from Red Sea and Kassala States.

¶3. The UNDP representative, Mr. Jerzey Skuratowicz, opened the conference by linking the meeting to a series of ten preparatory workshops previously organized by the

Kassala and Red Sea State governments with support from UNDP, CBOs, and NGOs. Each state hosted five workshops where participants engaged in broad discussions concerning possible solutions to alleviate poverty and advance the peace-building process in eastern Sudan. Mr. Skuratowicz called for the adoption of a coordinated approach that follows the national development plan for the region and stressed the necessity of assessing the successes and failures of past interactions.

14. Sara Pantuliano, the UNDP consultant for the east, stressed the complexity of human suffering and the fragility of living conditions in the east. She observed that the majority of interventions over the last 15 years have been small in scale, short-term, and focused on emergency needs. She called for new thinking to outline a holistic, large-scale sustainable development plan for the east in order to address the deep-seated livelihood crisis currently gripping Red Sea and Kassala States.

15. The Wali of Kassala State, Ibrahim Mahmoud, reviewed the major humanitarian crisis facing Kassala: hosting refugees and internally displaced persons, sustained drought conditions, and flooding along the Gash River. He observed that although the problems resulting from refugee flows are the responsibility of the international community, donors have failed to commit the necessary level of financial resources to support refugee assistance programs. He added that donors should focus on rehabilitation and development to take advantage of the historic opportunity created by the Comprehensive Peace Agreement (CPA) which ended the longest-running war on the continent. He noted that development initiatives could not begin until peace prevailed throughout the region and urged the international community to pressure

KHARTOUM 00001088 002 OF 004

the Justice and Equality Movement (JEM) to withdraw completely from the east. (Note: The JEM is a rebel group from Darfur which has mobilized elements in the east and recently perpetrated 2 security incidents in eastern Sudan. End note.) Finally, he reported that Kassala State has received armed forces from the Umma party, the Sudan People's Liberation Army (SPLA), and the NDA El Fateh that have recently withdrawn from the Hamesh Koreib enclave and Eritrean border areas, and is also willing to "receive Eastern Front troops."

16. The Wali of Red Sea State, Mohamed Tahir Eila, summarized the humanitarian challenges facing Red Sea State: drought and desertification, conflict, lack of health and education services, and the mechanization of Port Sudan which resulted in increased unemployment rates among Beja laborers. He added that the current government of Red Sea State is a national unity government composed of nine different parties. He talked about government interventions in the service sector and education, as well as government plans to establishing model villages. He called for a partnership between the state government, U.N. agencies, and NGOs to alleviate poverty and advance peace in Red Sea State.

Kassala and Red Sea States Appeal for Foreign Assistance

17. Two proposal papers, one for Red Sea State and one for Kassala State, were presented to the donors. The Red Sea State paper proposed a variety of projects in health, education, agriculture and food security, local government and civil service, social affairs, culture, information, youth and sports, and urban planning at an estimated cost of 220 billion Sudanese Dinars (SD), or roughly one billion U.S. Dollars. The Kassala paper opened by highlighting the fact that the CPA targeted 70 percent of national development and reconstruction funds

toward the least developed states in North Sudan, including Kassala. The paper focused on the following themes: basic social services, productive sectors, infrastructure, livelihoods and social services, governance and rule of law, monitoring and evaluation, information systems, and capacity building, decentralization, and statistics. The Kassala State government estimated the cost of the proposal at 2.5 billion U.S. dollars and promised to finance 30 percent of the total budget.

18. The presentation of the Kassala and Red Sea State proposals was followed by general discussion among conference participants. The following comments emerged during the discussion:

- a) The administrative costs for NGOs working in the east are very high, leaving a relatively low percentage of funds for actual service delivery to project beneficiaries.
- b) Despite the fact that Red Sea State has the highest infant mortality rate in Sudan, UNICEF does not maintain a presence in the east.
- c) Peace must be achieved in eastern Sudan prior to the implementation of any proposed humanitarian assistance programs. Without peace, humanitarians cannot gain stable access to beneficiary populations.
- d) The Rashaida tribe, a marginalized ethnic group in the east, was not well represented at the conference.
- e) Red Sea State received no revenue from French gold mining operations in the state. Sharing of revenues with the state government would alleviate the need for donor assistance from the international community.
- f) The two papers were extremely ambitious with huge budgets. The budget figures should be more realistic.
- g) A successful food-for-education program in Red Sea

KHARTOUM 00001088 003 OF 004

State should be strengthened.

- h) The majority of students in eastern Sudan cannot afford to pursue higher education.

19. Donors held group discussion meetings with UNDP and representatives from each of the two state governments. Participants agreed that the papers were very broad and needed a greater focus on priority areas for intervention. Stakeholders also agreed to undertake an additional needs assessment in order to develop a strategic plan which would be collectively owned by the wider eastern Sudan community including government, CBOs, NGOs, and donors.

Donor Response

10. Donors presented five key lessons to the conference participants:

- a) Peace: All parties must work to end conflict and realize a firm peace throughout eastern Sudan.
- b) Dialogue: A two way interchange of information is needed. Donors and authorities need to listen to each other and should look for ways to optimize their partnership. Donors offer more than money, and could provide technical assistance, experience, and lessons learned from other countries.

c) Planning: Planning should be based on good information. What are the targets? How do they match the Millennium Development Goals? What social indicators should be used? What is the long term plan/strategy for the East? How can the information collected in the Joint Assessment Mission be used in the planning process?

d) Services: Health and education services should be free for the poor.

e) Coordination among donors is very much needed.

¶11. In presenting the donors' points, the DFID representative put forward some observations:

a) The world looks at Sudan through the lens of Darfur. Sudan must bring the conflict in Darfur to an end if the country desires increased development assistance.

b) The Multi-Donor Trust Fund (MDTF) urges the Government of National Unity to provide the bulk of development assistance to the east. Under MDTF guidelines, the international community's contribution toward development in the east may not exceed five percent of the proposed budget.

c) A key lesson learned in other countries was the need to stop corruption before it starts.

¶12. Local authorities at the conference reacted very negatively to the DFID representative's comments, claiming that:

a) The donors are politicizing humanitarian work by linking assistance to the East to the conflict in Darfur.

b) The MDTF's offer to fund only five percent of development assistance is extremely low. If this sum indeed represents the donors' maximum contribution, the east does not need it.

c) Donors did not come to the east to teach local authorities how to combat corruption.

Final Communiqu

¶13. The final communiqu was drafted under a tense

KHARTOUM 00001088 004 OF 004

environment and delivered by Musa Shash, Red Sea State Minister of Finance. The communiqu stated that "the participants of the eastern Sudan conference for poverty alleviation and peace-building were very much disappointed by the fact that the donors have apologized to provide any funding to the east for the time being."

¶14. The Wali of Red Sea State officially announced the end of the conference. He extended his thanks to all participants, claiming that the conference was a good brain-storming session. He added that one lesson learned from the conference was that "we should depend on ourselves and invest our resources and we should not depend on others."

¶15. The donors interpreted the final communiqu and the wali's closing speech as an insult. They called for a private meeting that was attended by representatives of the EU, DFID, Italy, USAID, UNDP, WFP and the Red Sea and Kassala State Ministers of Finance. Following a frank and transparent discussion, the participants agreed on the following:

a) The great needs for continued support from the

international community to Red Sea and Kassala States.

b) Donors will continue to fund current NGO and CBO assistance programs in Red Sea and Kassala States.

c) Donors and the two state governments will continue their dialogue over foreign assistance to the east.

d) State authorities will work to improve the working environment for humanitarian organizations operating in eastern Sudan.

¶16. Comment. Although the final meeting was courteous, the donor participants departed feeling that the poverty alleviation conference had failed to achieve a positive dialogue between state and local authorities and the international community. The two governments agreed to issue a press release including the agreements listed above. However, these results have yet to be broadcast to a wider audience, a failure which may illustrate the governors' difficulty in addressing a population that feels their high expectations and aspirations were not really addressed by the conference. End comment.

STEINFELD